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ABSTRACT

This paper reports on a study designed to analyze the impact that advertising by the federal government might have on the nation.s media, specifically the nation's magazines. The U.S. government was the tenth leading national advertiser in the United States in 1973 and spent an estimated $99 million, $80 million of which represented military recruitment advertising, with nonmilitary spending largely accounted for by advertising for the U.S. Postal Service and Amtrack. Using data gathered by the Publishers Information Bureau which show how much each advertiser spends in each consumer magazine, the researchers considered many periodicals to see how much money they receive from the government and what part of their advertising revenue this money represents. The years between 1960 and 1973 were considered, and thirty-four magazines are listed with the years in which U.S. government advertising accounted for between one and ten percent of the magazines' total advertising revenue. The authors feel that the fact that the federal government has become one of the largest national advertisers is a cause for concern, since it may be considered a form of propaganda distributed internally and paid for by the target audience. (HKM)

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U. S. GOVERNMENT ADVERTISING IN CONSUMER MAGAZINES, 1960-1973

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A paper submitted to the AEJ Mass Communications and Society Division for consideration in the 1975 convention program.

In 1973, the U.S. government was the 10th leading national advertiser in the United States, and this fact received scant attention except in the trade press.[1] By spending an estimated $99.2 million on measured and unmeasured media and production costs, the federal government rounded out a Top Ten which also included: Proctor and Gamble, Sears Roebuck, General Foods, General Motors, Warner-Lambert, American Home Products, Bristol-Myers, Ford, and Colgate-Palmolive. That $99 million represented an increase of 50% over the estimated $65.8 million which was good enough for 22nd place in 1972. More than $80 million was spent for military recruitment advertising in 1973: $34.5 million for the Army, $26 million for the Navy, $16.5 million for the Air Force, and $5.5 million for the Marines. The non-military spending was largely accounted for by the U.S. Postal Service ($7 million) and Amtrack ($3.2 million). In addition, the U.S. Travel Service spent an estimated $1.8 million in foreign media to advertise U.S. tourist attractions.

These figures concerned us and led us to ask a number of questions. What are the implications of the federal government paying what amounts to nearly $100 million in subsidies to the nation's media? More specifically, what might it mean to individual radio and television stations, newspapers, or magazines? How much do they receive from the government and what part of their advertising revenue does this money represent?

FINDINGS

To find the answers to these questions, we turned to data which are regularly collected and made available to advertising agencies and their clients. Leading National Advertisers[2] compiles and publishes information about media expenditures of national advertisers. These data include totals gathered by Publishers Information Bureau which show how much each advertiser spends in

each consumer magazine. Magazine publishers send copies of every issue to PIB--after marking all non-paid space. Using the magazine's published rate card, PIB computes the total amount of advertising space and the cost of that space for each advertiser in each magazine. In addition, LNA publishes a yearly summary of the total advertising pages and the advertising revenue received by each magazine. By using these sources, we were able to calculate how much the U.S. government spent in each consumer magazine and what percent of each magazine's revenue was contributed by the government. We limited our concern to consumer magazines because of data availability. There are no comparable figures for broadcast advertising by station, for example, and newspaper advertising is reported only by lineage totals.

Table 1 shows the impact of U.S. government advertising on selected magazines. The table includes only those magazines and those years in which government advertising accounted for at least one percent of the magazine's annual advertising revenue. There were many magazines and many years in which this was not the case. However, there were enough instances to justify our original concern.

In each of those years, a significant proportion of the money was spent on recruitment advertising for the Army and Air Force. In the most recent years, large amounts were also spent for the Navy, Army Reserve, Coast Guard, Army ROTC, the Department of Commerce, and the U.S. Postal Service. The recent upsurge in military recruitment advertising, of course, is due to the change from the military draft to a voluntary military establishment. Other government agencies which spent substantial amounts of money in some of the years were: Smithsonian Institution Press, General Services Administration (real estate), Federal Crop Insurance and the Department of Commerce. Unfortunately, we were not able to ascertain the reasons for the large amounts spent by the

Commerce Department after 1970. All the magazines in Table 1 are there because of the large amounts of military recruitment advertising they carried.

There are 34 magazines represented in Table 1, and for many of them, government advertising did not represent more than one or two percent of advertising revenue in any year. Some magazines are deserving of special mention, however. In Sport magazine, in every year except 1963, 1967 and 1968, government advertising accounted for at least one percent of the total advertising revenue. In 1973, the proportion topped 10 percent, and it was above four percent in three other years.

Scholastic magazines received at least five percent of their advertising revenue from the government every year between 1960 and 1964. These magazines are circulated primarily among secondary school students. Mysteriously, there are no data reported for government advertising in those magazines after 1964. Other magazines which have received substantial proportions of advertising revenue from the government in at least certain years between 1960 and 1973 are: Sports Afield, Popular Science Monthly, Hot Rod, Field and Stream, Car and Driver, and Car Craft.

So the federal government has become one of the largest advertisers in the land. Should that worry us? We think so. It should at least give us some concern - and for a number of reasons.

This advertising is a form of propaganda which is distributed internally and paid for by the target audience. That makes it unique in the history of propoganda. During World War II, the Germans and Japanese were not required to pay for the propaganda we sent their way. But the young man who may be completely satisfied with his civilian occupation is required to support through

income and excise taxes an expensive campaign designed to persuade him to join the Army or Air Force or Navy or Marine Corps.

When the United States Information Agency was organized, Congress took great care to insure that the agency's propoganda efforts would not be directed internally. Congress' fear in creating this agency was that an unscrupulous administration might use the propaganda machinery of the agency to further the interests of the administration at the expense of the taxpayer. Shouldn't the same reasoning apply to an advertising machine with an annual budget of over $100 million?

That sum, while hardly enough to bend the public mind to the will of the administration, might be large enough to influence editorial policies of some of the magazines accepting a part of it. Critics of advertising have long held that advertisers could corrupt the media through their power to issue or withhold advertising funds. This argument is reviewed by Rivers, Peterson and Jensen, who say that advertisers do not have direct influence--primarily because they need the media as much as the media need them--but there is still some influence felt. This is often because media management usually know what is good for business and what is not.[3] Kreighbaum agrees that advertisers do not exercise absolute control over media content, but cautions that "it is successful just often enough so that journalists can put aside any thought of halos as part of their standard working uniforms."[4] Thus, while the charge of advertiser influence has never been proven, fear that it may be true still persists in many minds.

But even if it were only true to a minor degree, the effect could be magnified when the advertiser is the government. A magazine publisher might be reluctant to risk the government's wrath when (1) five, six, or eight percent

of his advertising comes from government sources and (2) when government agencies such as the Internal Revenue Service are in a position to harass an unfriendly publisher. (After Watergate, we can no longer dismiss off-hand the possibilities of harassment by government agencies.)

This is not mere speculation. Merrill and Lowenstein say that advertising revenue from local governments is such an important source of income for small newspapers that they are reluctant to be critical of government units for fear the government might withdraw the advertising and give it to a more friendly newspaper.[5]

Such notions do not exist merely in the minds of textbook authors, either. Editor and Publisher reported that the village board in Garden City, New York, voted to withdraw its legal advertising from the Garden City News the day after that newspaper called for the resignation of the mayor. There were enough such instances in Nassau County, New York, that the Nassau County Press Association set up a special committee to investigate them.[6]

The government is also in a better position than an ordinary advertiser to use the advertising budget as a carrot/stick. Industrial management must show their stockholders a profit at year's end or risk their own replacement. Thus, they would not be likely to pursue a policy which would use advertising funds in an unproductive manner. That is, they would be most likely to put advertising dollars where they would yield maximum returns; not where they would reward "nice" editorial policy. But in the case of the government, no requirement of profitability exists. There would not be a test of media efficiency. If $X of advertising in publications A,B, and C do not get the job done, then perhaps $1.5X would. Who would say, "You could get the same results with only $0.8X in publications D,E, and F."? This means that the government could follow a policy of using advertising to reward friends and

punish enemies with far less concern about side effects than could a business advertiser.

Again, this is not idle daydreaming. In the midst of World War II, the U. S. Senate passed a bill which would have required the Secretary of Treasury to spend between $12 and 15 million to advertise the sale of War Bonds in all newspapers in communities of less than 10,000 population. This was without regard to the effectiveness of particular newspapers or to whether such an expenditure was too much or too little. The proposed legislation died a merciful death in the House Ways and Means Committee.[7]

The foregoing analysis suggests that, in one sense, government advertising might be considered another type of media subsidy, a companion for second-class mailing privileges and legal advertising. (An even more indirect government subsidy of the media, of course, is the tax deduction businesses receive for advertising expenses.) We have already seen how government units use the carrot and stick of legal advertising to try to influence the media. The federal government has been guilty of the same sort of coercion by threatening to withdraw second class mailing privileges from magazines the Postal Department considered obscene. This practice was halted with the 1946 U.S. Supreme Court decision in Hannegan vs. Esquire but the decision was not definitive.[8]

Of course, this raises the question as to whether the government should even be an advertiser. For whatever it was worth, the CBS documentary "Selling of the Pentagon" raised the spectre of government propaganda activities conditioning the public to think kindly of the Defense establishment. But even here, little or no mention was made of the fact that well over $80 million is spent annually in military recruitment advertising which tries to make the services look good. This large budget goes a long way in augmenting other activities supporting the development of favorable attitudes toward what

President Eisenhower termed the "military-industrial complex."

So here's the dilemma: How can we recruit a "volunteer" army without a massive advertising campaign with its potential threat to the public which accompanies it? If there is any doubt about the massiveness of the expenditures, here are a few more facts.

The New York Times reports a new allocation of $7 million for a Department of Defense marketing program. "The (Defense) department already makes material available to high school career counselors . . .it is also contemplating ways of working with other faculty members such as team coaches and civics teachers."[9]

Tom Sutton of J. Walter Thompson was quoted in Advertising Age: "To bridge the . . .credibility gap between themselves and the public, governments are likely to enlist advertising to a greater extent as an effective communication tool."[10]

One Pentagon source was reported in Advertising Age as indicating that "saturation of magazines and newspapers" sometimes resulted from intensive recruiting efforts, "especially in late 1973 and early 1974." "At one point," he said, "we had things like six recruiting ads in one issue of Ebony."[11]

But, beyond the implications of massive government advertising in terms of press independence and the potentially unhealthy use of domestic propaganda, there remains still another issue.

Commercial advertisers are subject to a number of laws regulating their forthrightness. They must keep their advertising free of deceit or suffer possible censure, fines or imprisonment at the hands of local, state or federal prosecutors. It is right that this be so. And it is right that any advertiser be held accountable for his advertised claims, including the federal government. Unfortunately, it would be too much for anyone to expect

that the federal government should indict itself for fraudulent advertising should the situation arise.[12] Who, then, would undertake to keep the government's advertising honest?

Some might argue that the potential dangers of the U.S. government's $100 million advertising expenditures are minimal because the allocation of the money to the media is directed by many different advertising agencies for the separate government clients. However, the clouds of suspicion which overhung the selection of N. W. Ayer as the agency for the Army's $30 million account weaken that argument considerably.[13]

There seems to be a dilemma in the problem of government advertising. On the one hand, the government might very well have a legitimate need to advertise. If we accept the premise that there are certain things the government needs to communicate--volunteers for the armed forces, riders for Amtrak, customers for the Smithsonian gift shops, or postal service patrons who mail packages in time for the Christmas rush--then paid advertising might be the most efficient way to communicate that information.

So--there may be a need to advertise and we cannot really fault the government for using a method we regard so highly. Yet, slowly but surely over the past few years, those legitimate advertising needs have led the government--through a plethora of advertising agencies and for a wide variety of reasons--to become one of the leading advertisers in the country.

Until we can find a satisfactory means of eliminating the causes for alarm inherent in the continuing growth of government advertising, Congress might be well-advised to refuse to permit further growth. Perhaps the problem is serious enough to question the wisdom of trying to maintain a volunteer army.

REFERENCES

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[2]Leading National Advertisers, (Norwalk, Conn.: Leading National Advertisers, annual).

[3]William L. Rivers, Theodore Peterson, and Jay W. Jensen, The Mass Media and Modern Society, 2nd Ed., (San Francisco: Rinehart Press, 1971), p. 169-71.

[4]Hillier Krieghbaum, Pressures on the Press, (New York: Thomas Y. Crowell Co., 1972), p. 171.

[5]John C. Merrill and Ralph L. Lowenstein, Media, Messages and Men, (New York: David McKay Co., 1971), pp. 207-08.

[6]Editor and Publisher, August 31, 1974, p. 24.

[7]Editor and Publisher, December 11, 1943, p. 7.

[8]Harold L. Nelson and Dwight L. Teeter, Jr., Law of Mass Communication, (Mineola, N.Y.: The Foundation Press, 1969), p. 334.

[9]The New York Times, January 27, 1975, p. 40-C.

[10]Advertising Age, December 2, 1974, p. 65.

[11]Advertising Age, April 8, 1974, p. 3.

[12]In 1972, Rep. John J. Rooney of New York complained to the Federal Trade Commission that direct mail advertising sent by a recruiting sergeant in New York was misleading. The FTC backed away with the excuse that it had no jurisdiction over federal agencies. (Advertising Age, March 13, 1972, p. 1).

[13]See Advertising Age, April 9, 1973, p. 3; April 16, 1973, p. 1; and December 9, 1974, p. 1.

Table 1. U. S. GOVERNMENT EXPENDITURES IN SELECTED CONSUMER MAGAZINES FOR SELECTED YEARS BETWEEN 1960 AND 1973.

(Note: The only years included are those in which U.S. government advertising accounted for more than 1% of the magazine's total advertising revenue.)

YEAR	TOTAL PAGES	GOVT. PAGES	GOVT. PERCENT	TOTAL AD REVENUE	GOVT. EXPENDITURE	GOVT. PERCENT
ARGOSY						
1971	400.56	6.00	1.50	$3,224,826	$56,784	1.76
1972	487.14	8.71	1.79	3,644,285	74,152	2.03
1973	460.47	9.10	1.98	3,144,592	70,788	2.25
BLACK ENTERPRISE						
1973	342.45	14.11	4.12	2,626,677	105,690	4.02
BOY'S LIFE						
1962	291.72	3.24	1.11	2,095,436	23,600	1.13
1973	316.82	2.68	.85	3,368,226	36,280	1.08
CAR AND DRIVER						
1972	601.23	17.27	2.87	3,669,369	123,674	3.37
1973	734.23	30.02	4.09	5,018,438	234,789	4.68
CAR CRAFT						
1971	720.47	15.64	2.17	1,385,469	30,396	2.19
1972	779.19	43.90	5.63	1,805,615	81,815	4.53
1973	865.08	63.86	7.38	2,107,200	115,943	5.50
COSMOPOLITAN						
1972	1,418.34	17.34	1.22	13,822,736	170,238	1.23
EBONY						
1969	998.94	14.08	1.41	9,965,898	106,982	1.07
1971	991.96	15.00	1.51	10,878,840	146,312	1.34
1973	1,074.00	66.83	6.22	12,616,929	805,913	6.39
FIELD AND STREAM						
1971	1,147.09	11.82	1.03	8,683,321	109,148	1.26
1972	1,245.36	42.80	3.44	10,130,468	367,969	3.63
1973	1,305.48	50.86	3.90	10,920,624	464,773	4.26
ESQUIRE						
1973	1,291.34	20.38	1.58	17,530,702	249,325	1.42
GLAMOUR						
1967	1,429.08	13.00	.91	11,719,170	125,529	1.07
1972	1,648.61	25.10	1.52	15,828,120	252,605	1.60
1973	1,640.76	29.74	1.81	15,649,501	303,068	1.94
GRIT						
1972	331.66	10.00	3.02	2,141,455	67,000	3.13

YEAR	TOTAL PAGES	GOVT. PAGES	GOVT. PERCENT	TOTAL AD REVENUE	GOVT. AD EXPENDITURE	GOVT. PERCENT
GUNS AND AMMO						
1971	453.57	12.24	2.70	$920,126	$27,187	2.95
1972	541.03	36.56	6.76	1,214,335	82,647	6.81
1973	550.31	29.21	5.31	1,364,415	71,090	5.21
HOT ROD						
1967	788.29	8.32	1.06	3,227,359	32,309	1.00
1969	960.28	15.00	1.56	5,193,868	54,409	1.05
1970	823.84	14.00	1.70	5,397,979	57,771	1.07
1971	776.58	18.36	2.36	5,352,056	101,154	1.89
1972	778.02	53.45	6.87	5,645,730	279,451	4.95
1973	828.41	69.54	8.39	6,118,068	379,986	6.21
MADEMOISELLE						
1967	1,383.88	12.34	.90	7,277,276	73,460	1.01
1972	1,517.73	17.28	1.14	9,343,378	117,590	1.26
1973	1,493.81	17.10	1.14	9,629,447	118,390	1.23
MECHANIX ILLUSTRATED						
1960	782.25	9.00	1.15	1,915,187	22,525	1.18
1961	687.24	8.00	1.16	1,775,967	21,700	1.24
1962	689.56	10.50	1.52	1,923,663	27,569	1.43
1966	804.39	12.50	1.55	2,800,648	39,045	1.39
1967	774.36	9.50	1.23	2,777,070	30,799	1.11
1971	962.69	17.00	1.77	4,710,960	79,716	1.69
1972	1,033.74	47.60	4.60	5,467,088	221,860	4.06
1973	1,078.26	43.00	3.99	6,274,778	252,425	4.02
MOTOR TREND						
1972	621.95	23.37	3.76	4,429,275	104,147	2.35
1973	708.40	54.47	7.69	5,179,060	277,784	5.36
NATIONAL GEOGRAPHIC						
1973	354.58	3.80	1.07	16,336,656	241,129	1.48
OUTDOOR LIFE						
1971	1,157.06	11.00	.95	9,488,551	108,135	1.14
1972	1,203.11	45.79	3.81	10,551,218	468,866	4.44
1973	1,215.48	42.30	3.48	10,962,620	459,813	4.19
PLAYBOY						
1973	983.36	19.73	2.01	42,399,048	840,346	1.98
POPULAR MECHANICS						
1971	1,201.69	18.00	1.50	6,991,677	111,746	1.60
1972	1,238.83	50.95	4.11	7,391,910	326,080	4.41
1973	1,263.95	25.54	2.02	8,088,581	181,578	2.24

YEAR	TOTAL PAGES	GOVT. PAGES	GOVT. PERCENT	TOTAL AD REVENUE	GOVT. AD EXPENDITURE	GOVT. PERCENT
POPULAR SCIENCE MONTHLY						
1968	968.92	12.00	1.24	$4,406,970	$48,558	1.10
1971	861.68	18.29	2.12	6,396,157	147,437	2.31
1972	973.93	52.26	5.37	7,787,589	502,572	6.45
1973	1,063.78	52.35	4.92	8,933,816	534,597	5.98
PRESBYTERIAN LIFE						
1967	161.41	2.00	1.24	560,488	7,240	1.30
READER'S DIGEST						
1971	1,114.23	13.86	1.24	62,155,639	714,545	1.15
1972	1,232,32	25.86	2.10	71,776,228	1,411,469	1.97
1973	1,290.73	19.40	1.50	73,874,062	1,152,762	1.56
ROAD AND TRACK						
1973	881.14	34.24	3.89	2,568,444	86,780	3.38
SCHOLASTIC MAGAZINES						
1960	485.48	43.00	8.86	2.613,499	177,397	6.79
1961	403.04	50.66	12.57	2,339,838	222,287	9.50
1962	396.26	45.98	11.60	2,569,751	175,265	6.82
1963	391.78	51.00	13.02	2,653,440	205,705	7.75
1964	396.76	29.00	7.31	2,844,172	149,800	5.27
SCIENTIFIC AMERICAN						
1973	387.74	5.67	1.46	2,380,393	35,670	1.50
SEVENTEEN						
1972	1,560.22	22.60	1.45	16,531,756	230,720	1.39
SKIN DIVER						
1972	482.78	12.56	2.60	854.192	20,838	2.44
1973	466.36	17.47	3.75	927,460	31,486	3.39
SPORT						
1960	203.76	10.00	4.91	405,165	19,460	4.80
1961	184.06	9.00	4.89	385,097	18,597	4.83
1962	193.57	6.99	3.61	462,945	15,055	3.25
1964	173.12	6.00	3.46	479,652	13,968	2.91
1965	185.68	3.00	1.62	511,432	6,984	1.37
1966	218.33	8.65	3.96	791,760	28,566	3.61
1969	224.94	6.00	2.67	1,381,753	32,682	2.37
1970	234.82	3.00	1.28	1,651,764	17,775	1.08
1971	419.86	11.00	2.62	3,474,130	79,748	2.30
1972	541.44	35.69	6.59	4,587,657	292,204	6.37
1973	649.26	65.92	10.15	5,673,507	575,711	10.15
SPORTS ILLUSTRATED						
1972	2,626.13	45.43	1.73	58,875,481	932,868	1.58
1973	3,020.97	51.87	1.72	72,244,173	1,262,090	1.71

YEAR	TOTAL PAGES	GOVT. PAGES	GOVT. PERCENT	TOTAL AD REVENUE	GOVT. AD EXPENDITURE	GOVT. PERCENT
SPORTS AFIELD						
1971	906.46	9.00	.99	$5,548,378	$71,730	1.29
1972	975.85	44.23	4.53	6,034,907	334,187	5.54
1973	1,023.49	45.08	4.40	6,717,348	361,663	5.38
TOGETHER						
1967	94.16	1.00	1.06	301,209	3,245	1.08
TRUE						
1962	435.45	5.99	1.38	5,228,419	58,500	1.12
1972	705.63	12.00	1.70	3,050,322	47,996	1.57
1973	905.44	15.72	1.74	3,945,567	78,304	1.99
TV GUIDE						
1972	2,466.41	41.10	1.67	106,416,744	1,625,179	1.53
1973	2,532.61	34.23	1.39	114,439,393	1,654,874	1.45